PARKLAND INDUSTRIES LTD.

Annual Report 1999

it's about
meeting our
customers'
needs

Parkland Industries Ltd.

management
has in-depth
knowledge
of the market

CORPORATE PROFILE

Parkland Industries Ltd. is a marketer of transportation fuels and convenience products headquartered in Red Deer, Alberta. The Company currently owns, operates or supplies approximately 360 retail gasoline stations throughout western Canada, the Yukon and the Northwest Territories and owns and operates a refinery at Bowden, Alberta. Parkland also owns and operates gasoline and propane trucking operations which support the primary marketing business.

Parkland's service stations are strategically located primarily in non-urban communities where retail prices tend to be strong and stable, real estate is less expensive and operating costs are more manageable than in major urban areas. This approach has positioned the Company to benefit from industry rationalization, allowing Parkland to capture significant market share in its core areas.

it's about customer service

Parkland is a publicly-traded company listed on the Toronto and Alberta stock exchanges under the trading symbol PKI. The Company has 5,441,588 shares outstanding.

This Annual Report includes forward-looking statements regarding Parkland Industries operations, anticipated financial performance, business prospects and strategies. Forward-looking information may involve words such as "believe", "expect", "anticipate", or similar words implying future outcomes.

Readers are cautioned not to place undue reliance on forward-looking information because it is possible that predictions, forecasts and other forms of forward-looking information will not be achieved by Parkland Industries. Parkland Industries is under no obligation to update publicly or otherwise revise any forward-looking information.

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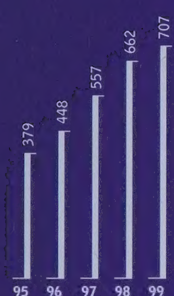
During fiscal 1999 Parkland posted record sales of 707.0 million litres of refined products, an increase of seven percent over the previous year. Sales revenue increased along with volumes, reaching an all time high of $264.2 million. These significant improvements reflect the seventh consecutive year of greater sales performance for the Company despite very competitive industry conditions.

Parkland continued on a steady course of growth through internal expansion in fiscal 1999. Efforts were focused on maximizing the impact of significant acquisitions completed in the previous year as well as building higher average volumes at existing stations compared to the previous year. The increase in sales was achieved while marketing, general and administrative expenses were reduced.

the Company is well positioned with a strong balance sheet

Consolidated Financial Highlights

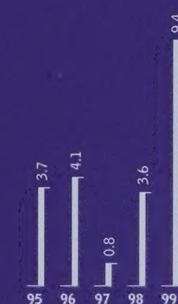
($ THOUSANDS, EXCEPT PER SHARE AMOUNTS)	1999	1998	1997	1996	1995
Sales volumes (000's litres)	707,000	662,000	557,000	447,500	379,000
Sales revenue	264,156	255,374	233,280	188,036	153,270
Gross margin	54,286	45,064	35,540	33,232	36,286
Cash flow from operations	15,997	9,709	4,261	4,939	11,044
Per share ($) – basic	2.94	1.78	0.78	0.89	2.00
Per share ($) – fully diluted	2.76	1.72	0.76	0.82	1.66
Net earnings from operations	9,378	3,399	(483)	1,678	3,943
Per share ($) – basic	1.72	0.62	(0.09)	0.30	0.71
Per share ($) – fully diluted	1.62	0.61	(0.09)	0.30	0.66



Sales Volumes
(MILLIONS OF LITRES)

Net Sales
($ MILLIONS)

Gross Margin
($ MILLIONS)



Net Earnings
($ MILLIONS)

maintaining a strong focus
on niche markets
yields very
positive results

To Our Shareholders

Fiscal 1999 was a year of spectacular growth for Parkland Industries Ltd. Record sales volumes of 707.0 million litres, best ever earnings from operations of $9.4 million and improved margins contributed to the current excellent state of our balance sheet. We are excited about the Company's financial position as it supports our strategic direction as we move into the next millennium.

Meeting the Needs of Our Customers

To date, Parkland's strategy has been to operate with a low cost structure to mitigate the Company's exposure to volatility in retail and wholesale gasoline pricing. This year, we are building on this approach and focusing our efforts towards better meeting the needs of our customers to further increase sales volumes and earnings. We see this expansion in our operations as a progression from being a local gas retailer to providing a full package of services to our solid and loyal customer base.

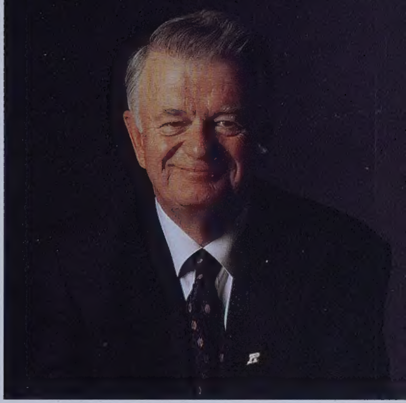
To pursue this direction, we are actively developing a new convenience store chain, starting with selected **Fas Gas** sites; consolidating our multiple fuel marketing brands into **Fas Gas** (retail) and **Race Trac Gas** (wholesale) operations; and expanding our presence in our market area through strategic acquisitions. We believe these efforts will allow us to continue to post strong financial results and provide added value to our shareholders over the long term.

customer service is emphasized at all levels

We analyzed the Company's existing services and structure and initiated several key changes over the past year:

- First, we determined a need to broaden our marketing presence through the development of a convenience store chain, **Short Stop Food Stores**. This value-added customer service will be implemented over a five-year period under the guidance of Tim Rhodes, a senior executive with over 25 years convenience store industry experience. Parkland plans to open 15 stores over the next year, at strategic **Fas Gas** stations. Our goal is to expand the chain to 100 stores across western Canada by the year 2005.

Jack C. Donald, President
and Chief Executive Officer



- We initiated a process to increase the visibility of our network through consolidating and re-branding within our two primary fuel marketing networks which will streamline operations and enhance customer recognition of Parkland's offering. All retail gasoline operations will be offered through **Fas Gas** stations, while wholesale supply accounts acquired in recent years, including Payless, Mr. Petro, Thrifty, Chalet and Mega Fuels, will be offered through the **Race Trac Gas** brand. New corporate colors and logos will provide customers with consistent corporate images throughout our western Canadian, Yukon and Northwest Territories operations.
- We signed a Letter of Intent in December 1998 for the sale of our Bowden refinery to the Blood Tribe of Standoff, Alberta for $50 million. Parkland will continue to provide management services to the refinery and will have a contract to purchase all refined products for sale throughout the Company's retail and wholesale network. The Tribe is currently working with the Government of Canada to create a Reserve on the refinery site. We expect the sale to close during fiscal 2000.
- We expanded our asset base in April 1999 through the acquisition of Mega Fuels, a fuels and lubricants business based in Williams Lake, British Columbia. The $2.5 million purchase added two **Fas Gas** retail stations and 15 **Race Trac Gas** wholesale supply accounts to Parkland's western Canadian network. We anticipate this acquisition will increase sales volumes over the next year by approximately four percent and earnings by approximately two percent. Parkland also acquired three trucks and trailers from Mega Fuels to add to our Petrohaul fleet for product transport. The Company sold the non-strategic assets and direct supplied industrial business on a cost recovery basis to a Vancouver company. **Race Trac Fuels Ltd.** will be the exclusive wholesale supplier of these volumes in the future.
- We recently expanded our Board of Directors with the addition of two new Directors, strengthening the significant marketing and petroleum expertise of the Company. Alain Ferland of Montreal, Quebec has more than 20 years senior oil industry experience, most recently as President of Ultramar Ltd. in Canada and as Senior Vice President and member of the Executive Committee of Ultramar Diamond Shamrock Corporation of San Antonio, Texas. Jim Pantelidis of Toronto, Ontario has extensive senior retail oil industry experience, most recently as President of Petro-Canada Products Ltd. He is currently Chairman and CEO of Bata Limited.

- We are expanding our automated technology equipped Round-the-Clock service stations with the opening of our second location in Calgary in fiscal 2000. Our Red Deer location is perfecting our system which will allow the station to operate completely unmanned 24 hours a day, accepting cash, debit cards and credit cards. We continue to test the system's ability to accept debit cards and expect this service to be fully functional over the next year. We expect to use these stations to penetrate major urban markets in our region in the future.

Financial Results

After-tax earnings from operations during fiscal 1999 were a record $9.4 million compared to $3.6 million in fiscal 1998. Lower crude and gasoline prices throughout the year reduced average "per litre" amounts but total revenues increased 3.5 percent while sales volumes increased 6.8 percent over the prior year.

Parkland's business is affected by fluctuations in fuel margins, both retail and wholesale. In 1999 gross margins averaged 0.9 cents per litre higher than in 1998. This produced $9.4 million or $1.72 per share in after-tax earnings. We are anticipating retail prices will remain stable in fiscal 2000 which will consolidate Parkland's continued profitability over the next fiscal year.

Cash flow from operations rose significantly to $16.0 million. Cash flow per share was $2.94, a substantial increase over $1.78 per share the previous year. Parkland views these results as very positive and believes our continued low cost operating strategy, along with our redirected focus on meeting the needs of our customers, will generate improved results on an ongoing basis.

our 1999 operating costs are lower than 1998 as a result of our strategy to continue to stress cost control

Outlook

As Parkland enters fiscal 2000, we are enthusiastic about the changes we are making in our organization. We will continue to expand our station network with a strong emphasis on increasing retail sites in Alberta and Manitoba, as well as British Columbia, Saskatchewan, the Yukon and Northwest Territories. Parkland has budgeted for the construction of ten new **Fas Gas** stations and the addition of branded supply contracts for 44 new **Race Trac Gas** outlets, and is poised to act on acquisition opportunities as they arise. The sale of the Bowden refinery will be an opportunity to participate in a unique and historic initiative, resulting in long-term benefits to the Blood Tribe's economy and equally beneficial positioning for Parkland. This change in ownership will not alter the refinery's ability to produce what is probably Canada's leading environmentally friendly gasoline. A key factor is that this gasoline has virtually no sulphur content and, as a result, the refinery will not have to budget substantial funds to produce the low sulphur gasoline being mandated by the Federal Government for 2005.

our success is based on customer loyalty

Our ongoing success during 1999 can be attributed to the substantial efforts of the skilled and dedicated team of people who work at Parkland. I thank them personally for their immense energy, vision and hard work. I would also like to recognize our Board of Directors for their support and guidance of the Company's new initiatives. Lastly, I thank our shareholders for their continued patience and loyalty to our decisions and redirections. We look forward to sharing with you another year of growth and strong financial results for Parkland Industries.

On behalf of the Board of Directors,

Jack C. Donald

President and Chief Executive Officer
September 7, 1999

? Parkland has focused its primary strategy on servicing the retail gasoline needs of non-urban communities. Over the years, it has developed a solid customer base. How does Parkland intend to continue capturing increased market share while maintaining the loyalty of existing customers?

D. Jim Jones,
Vice President, Marketing
Fas Gas Oil Ltd.

Parkland will strive to capture the highest possible sales volumes through promotion of customer loyalty to our **Fas Gas** products and services.

Our success has been founded on the repeat business of our valued customers. To ensure our consumers recognize our product, we are re-branding all of our retail outlets as **Fas Gas** stations so they project the recognizable image and logo throughout our western and northern Canadian network of stations. The new signage colors and image will also tie into a similar corporate look at our new **Short Stop** convenience stores. We will be developing this chain through selected existing **Fas Gas** locations, enhancing the one-stop needs of our customers.

We will continue to promote return visits to our **Fas Gas** stations through our customer incentive program, the **Litre Log.** This card based program encourages retail gasoline clients to fill their cars regularly at our stations, with cash back rewards after purchasing 250 litres of our product. This program is a cost effective, mutually beneficial way we can maintain our existing customers, attract new business and establish regular sales volumes at all **Fas Gas** retail outlets.

Parkland has traditionally focused a large portion of its business on marketing motor fuels to retail and wholesale customers. Adding convenience stores to operations will require a different knowledge base and approach to sales to be successful. Is Parkland prepared to meet this challenge?

Tim Rhodes,
General Manager,
Short Stop Food Stores Inc.

Through higher quality goods and a network of stores that offer ease of convenience to our customers, we anticipate annual returns of approximately $6.0 million after completion of the five-year plan.

We recognize that today's consumer values the convenience of one-stop shopping. To meet the needs of our existing loyal customer base, we will be implementing **Short Stop** convenience stores at selected outlets, offering quality goods at competitive prices and profitable margins. Parkland will own and operate these stores, ensuring the employees and products provide the same high standard of quality and excellence our customers have come to associate with our Company.

We are fully committed to making the **Short Stop Food Stores** chain prosper and we are building a dedicated team of experienced professionals whose mandate is to focus their efforts on this initiative. Our strategy is to grow the chain to 100 stores over a five-year period, starting with 15 stores over the next year. Most **Fas Gas** locations already have zoning in place for these facilities but in many locations new premises will be constructed. We intend to increase traffic to our stores by fostering alliances with high-quality food and beverage suppliers, enhancing our product offering as we grow.

Parkland has completed a number of wholesale business acquisitions over the past few years. Many of these acquired assets have maintained their original identities. What is Parkland's strategy for managing these varied brands?

Bradley Williams
General Manager,
Race Trac Fuels Ltd.

Our **Race Trac Gas** wholesale network will continue to allow us access to a broader client base through sales to existing independent retailers throughout western Canada, the Northwest Territories and the Yukon.

We are in the midst of consolidating our wholesale brands into **Race Trac Fuels Ltd.** All outlets offering our product will display the newly designed **Race Trac Gas** sign packages, providing consumers an easily recognizable image telling them our high quality products are available at these independently owned locations.

As our competitors shift their focus to expensive, high volume urban locations, it opens many opportunities for our **Race Trac Gas** brand to expand in the non-urban sector. All locations are independently owned, but assistance is available from the Company for environmental upgrades, new equipment, point of sale systems and image improvements. The Company believes that increased volumes of business will be available to aggressive marketers who continue to service the non-urban marketplace.

REFINING

Robert Leflar
General Manager,
Refining and Supply

The Bowden refinery processes natural gas condensate into a product slate dominated by gasoline, thus creating a strong economic profile in spite of its small size. Current throughput has been reduced to 4,500 barrels per day compared to 6,500 barrels in prior years as a result of regulatory limits on the benzene content of gasoline. Engineering will be completed in fiscal 2000 to determine the most effective and efficient means to restore throughput to the 6,500 barrel per day level.

TRANSPORTATION

Don Heisler
General Manager,
Petrohaul Ltd.

Petrohaul Ltd., the Company's transportation operation, operates 35 tractor trailer units, transporting motor fuels throughout its marketing network. In addition, the fleet is used to provide hauling services to other marketers and to deliver premium quality condensate to the Bowden refinery on a back-haul basis.

The operation of the fleet represents Parkland's lowest cost option for fuel delivery and provides the greatest control on quality and timeliness of service.

The following discussion and analysis of Parkland's results of operations and financial conditions should be read in conjunction with the Consolidated Financial Statements reported on pages 21 through 29 of this report. Dollar amounts in the tables are presented in thousands, except per share data.

Results of Operations

Parkland's business and primary source of revenue is marketing motor fuels. Refined products sold through the Company's network of service stations are sourced from Parkland's refinery in Bowden, Alberta (40%) and through long-term contracts with other refiners (60%). Product sales include gasoline, diesel and propane.

At the end of fiscal 1999 Parkland had 357 stations compared to 329 at the end of the previous year. Of this total, 199 are retail stations and 158 are wholesale supply accounts. Parkland owns 106 of the retail stations and controls the remainder under long-term leases. The Company also owns seven non-gasoline related commercial properties, including a service and trucking yard and several convenience stores.

During 1999 retail gasoline gross margins remained strong, particularly through the winter months which are traditionally weaker. The annual average rack-back margin increased over the prior year's average. Retail, or rack-forward margins (the spread between the wholesale price of gasoline and retail pump prices) remained relatively stable throughout 1999, allowing Parkland to record improved overall margins compared to fiscal 1998.

A key factor in the improved margin was the relative reduction in the cost of natural gas condensate compared to crude oil. Condensate is the primary feedstock at the Company's refinery. During fiscal 1999 condensate costs were at a small discount to crude oil creating a cost advantage of $0.8 million. This was in contrast to the prior fiscal year when the price of condensate moved to a premium over light sweet crude oil, reaching a maximum of 5.5 cents per litre in December 1997. By June 1998 the premium had disappeared. The condensate cost differential caused the Company to absorb $7.2 million of excess raw material costs for the 1998 fiscal year.

The Company continued to make significant gains in gasoline volumes sold, both on a retail and wholesale basis. This was achieved by year-over-year gains at existing stations as well as the addition of new retail stations and wholesale supply accounts.

Parkland remains committed to maintaining full compliance with all environmental legislation. Included in the Company's expenses for 1999 was $391,000 to maintain this status. The Company expects expenditures for station remediation in fiscal 2000 to continue at minimal levels. The refinery required a $1.5 million capital upgrade to comply with new governmental regulations for benzene in gasoline. This investment represented the minimum cost option and resulted in a decrease in throughput to approximately 4,500 barrels per day. The Company is conducting engineering studies to increase capacity to 6,500 barrels per day.

Consolidated Financial Results

($ THOUSANDS, EXCEPT PER SHARE AMOUNTS)	1999	1998	1997
Sales revenue	264,156	255,374	233,280
Earnings from operations after tax	9,378	3,399	(483)
Per share – basic	1.72	0.62	(0.09)
Per share –fully diluted	1.62	0.61	(0.09)
Gain on investment transactions	–	155	1,263
Per share	–	0.03	0.23
Total earnings	9,378	3,554	780
Per share – basic	1.72	0.65	0.14
Per share – fully diluted	1.62	0.64	0.14
Cash flow from operations	15,997	9,709	4,261
Per share – basic	2.94	1.78	0.78
Per share – fully diluted	2.76	1.72	0.76
Sales volumes of refined products (millions of litres)	707	662	557

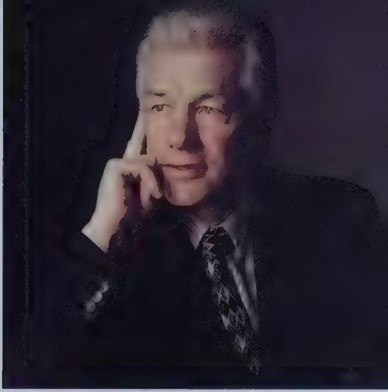
Net sales increased by $9.0 million to $264.0 million in response to higher sales volumes. Cash generated from operations was $16.0 million compared to $9.7 million in the previous year. Non-cash working capital decreased by $4.7 million primarily due to higher income taxes accrued at year end.

Cost of sales remained consistent with the prior year at $210.0 million. This resulted from the combination of higher sales volumes and lower average product costs. The annual average gross margins for all refined products increased by 0.9 cents per litre in 1999.

The aggregate gross margin increased 20.5 percent of which 6.8 percent resulted from volume growth and 13.7 percent resulted from per litre margin improvement.

Marketing, general and administrative expenses, including service station sales commissions and station occupancy costs, were $31.5 million. These costs were lower than the prior year in spite of more outlets and higher volumes and reflects the Company's continuing emphasis on cost control.

Parkland continued its program of semi-annual dividends during the year. Five cents per share was paid on July 31, 1998 and the payment for January 31, 1999 was increased by 50 percent to seven and one-half cents per share.



John Schroeder,
Vice President, Finance

Capital Expenditures

($ MILLIONS)	1999	1998	1997
Service stations and equipment	8.7	5.8	9.6
Transportation equipment	1.2	1.4	1.1
Refinery equipment	1.8	0.8	1.1
Other	0.2	0.1	0.9
Total	11.9	8.1	12.7

Investment in Listed Securities

The Company holds 372,889 common shares of Crestar Energy Inc., which it acquired in prior years in exchange for oil and gas assets.

Three Year Quarterly Earnings Analysis

($ THOUSANDS)		Continuing Operations	Gain on Investments	Total
1999	First quarter	2,726	–	2,726
	Second quarter	2,160	–	2,160
	Third quarter	2,144	–	2,144
	Fourth quarter	2,348	–	2,348
	Total	9,378	–	9,378
1998	First quarter	2,013	155	2,168
	Second quarter	(340)	0	(340)
	Third quarter	171	0	171
	Fourth quarter	1,555	0	1,555
	Total	3,399	155	3,554
1997	First quarter	410	0	410
	Second quarter	(1,495)	1,263	(232)
	Third quarter	(457)	0	(457)
	Fourth quarter	1,059	0	1,059
	Total	(483)	1,263	780

Key Financial Ratios	1999	1998	1997
Current ratio	0.81	0.83	0.72
Debt to equity ratio	0.08	0.21	0.30
Interest coverage – earnings from operations	24.81	6.81	0.55
Interest coverage – cash flow	36.11	13.80	4.90
Asset coverage	15.26	6.76	4.93

Summary of Statement of Changes in Cash Position

($ THOUSANDS)	1999	1998	1997
Operating Activities			
Cash flow from operations	15,997	9,709	4,261
Change in non-cash working capital	4,670	2,052	(2,135)
Financing activities and dividends	(6,723)	(8,927)	(1,766)
Investing activities	(11,070)	(309)	(3,897)
Increase (decrease) in cash	2,874	2,525	(3,537)

Business Risks and Prospects

RETAIL PRICING

Retail prices for motor fuels are subject to intense competition. There is no foreseeable shortage of saleable motor fuels within Parkland's marketing area and these products are available from a wide variety of sources. This can result in low or negative retail gross margins in some locations from time to time. The Company is continuing its strategy of expanding its business in non-urban areas where retail pricing is generally stronger and more stable.

FEEDSTOCK

Parkland processes natural gas condensate at its Bowden refinery. Refining efficiency depends on the quality of its feedstock. Although 90 percent of the refinery's feedstock is obtained from a single pipeline stream, the Company is continually searching for high-quality condensate which can be delivered to the refinery using the Company's trucks as they return from fuel deliveries.

The condensate market is undergoing change as the demand for its use as a diluent for heavy oil fluctuates. During fiscal 1999 the Edmonton posted prices for condensate were effectively at par with marker crude oil. There is no assurance however that this trend will continue. Parkland has used its position as a stable, long-term, strategically located purchaser to obtain supply on acceptable terms.

OPERATIONS

The potential for significant mechanical failure causing production interruptions at the Company's refinery represents an operating risk. Parkland currently purchases approximately 60 percent of its requirements from other refiners and could expand these arrangements. The Company employs an extensive preventive maintenance program and enjoys the benefits of an experienced, well-trained operating staff.

ENVIRONMENTAL

The operations of service stations, refinery facilities and petroleum transport trucks carry an element of environmental risk. To prevent environmental incidents from occurring, the Company has extensive environmental procedures and monitoring programs in place at all of its facilities. To mitigate the impact of a major accident, Parkland has emergency response programs in place and provides its employees extensive training in operational responsibilities. In recent years the federal government has altered specifications for transportation fuels resulting in significant process and cost changes. This trend will continue as regulators respond to emerging health and environmental issues and political pressures. The Company continually evaluates existing and emerging regulations and believes it has the resources to economically meet all reasonably anticipated changes. A significant issue currently facing the refining industry is the proposed reduction of sulphur content in gasoline. Parkland's existing sulphur content is effectively zero, which is much less than the expected revised limit and no changes will be needed in equipment or processes.

OPERATIONS EARNINGS SENSITIVITY

A one cent per litre change in annual average gross margin results in a change in after-tax earnings of $0.80 per share. During fiscal 1999 this leverage worked strongly in the Company's favour as gross margins improved in response to lower feedstock costs.

YEAR 2000 READINESS

The Company has been working since 1996 to prepare for operations in the Year 2000. Risk and readiness has been assessed with respect to information technology, refining and marketing facilities and commercial relationships. A comprehensive inventory was prepared of systems at risk with personnel and financial resources assigned to their remediation. Over the past four years the Company has upgraded all of its core computer systems. These include the Company's financial accounting, sales accounting and point of sale data capture systems as well as computer equipment.

Operating systems at the Bowden refinery and at marketing sites have been tested internally or certified by suppliers.

The Company is monitoring the readiness of suppliers who represent mission critical commercial relationships and is satisfied that they are taking the prudent steps necessary to maintain full operations.

The Company is participating with other industry participants in emergency planning to meet short-term contingencies in the supply of transportation fuels that may occur at critical dates.

Most of the costs of achieving Year 2000 readiness have been absorbed in operational expenses or capital upgrades incurred to enhance and modernize the Company's operational and accounting systems. Although no significant remediation costs remain to be incurred, Parkland is treating the Year 2000 project as an ongoing matter and is devoting the resources to ensure its preparedness.

To the Shareholders of Parkland Industries Ltd.

We have audited the consolidated balance sheets of Parkland Industries Ltd. as at June 30, 1999 and 1998 and the consolidated statements of earnings and retained earnings, and changes in cash position for each of the years in the three year period ended June 30, 1999. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material aspects, the financial position of the Company as at June 30, 1999 and 1998 and the results of its operations and the changes in its cash position for each of the years in the three year period ended June 30, 1999 in accordance with generally accepted accounting principles.

Heywood Holmes & Partners

Heywood Holmes & Partners, Chartered Accountants
Red Deer, Alberta
September 7, 1999

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The accompanying financial statements of Parkland Industries Ltd. have been prepared by management in accordance with generally accepted accounting principles.

Parkland's accounting procedures and related systems of internal control are designed to provide reasonable assurance that its assets are safeguarded and its financial records are reliable. In recognizing that the Company is responsible for both the integrity and objectivity of the financial statements, management is satisfied that these financial statements have been prepared accordingly and within reasonable limits of materiality. Further, management is satisfied that the financial information throughout the balance of this annual report is consistent with the information presented in the financial statements.

Heywood, Holmes & Partners have been appointed by the shareholders of Parkland to serve as the Company's external auditors. They have examined the financial statements of the Company for the years ended June 30, 1999, 1998 and 1997.

The Audit Committee has reviewed these statements with management and the auditors, and has reported to the Board of Directors. The Board has approved the information contained in the financial statements of Parkland which are included in this annual report.

Kelly Collier

John G. Schroeder
Vice President, Finance
Red Deer, Alberta
September 7, 1999

Kelly G. Collier
Controller

CONSOLIDATED BALANCE SHEET

JUNE 30 (THOUSANDS OF DOLLARS)	1999	1998
Assets		
Current assets		
Accounts receivable	$ 15,163	$ 10,789
Inventories	8,234	8,797
Prepaid expenses	1,788	1,085
	25,185	20,671
Investment in listed securities (note 2)	6,765	6,823
Other	1,335	1,050
Fixed assets (note 3)	66,558	63,293
Goodwill (note 4)	3,948	3,705
Deferred finance charges	15	19
	$ 103,806	$ 95,561
Liabilities		
Current liabilities		
Bank indebtedness (note 5)	$ 1,175	$ 4,049
Accounts payable	25,273	19,247
Income taxes payable	3,409	252
Long-term debt, current portion (note 6)	1,068	1,351
	30,925	24,899
Long-term debt (note 6)	4,776	10,453
Site restoration accrual	281	498
Deferred income taxes	8,318	8,821
	44,300	44,671
Shareholders' Equity		
Capital stock (note 7)	16,936	17,017
Retained earnings	42,570	33,873
	59,506	50,890
	$ 103,806	$ 95,561

On behalf of the Board

Director

Director

CONSOLIDATED STATEMENT OF EARNINGS AND RETAINED EARNINGS

YEAR ENDED JUNE 30 (THOUSANDS OF DOLLARS)	1999	1998	1997
Net sales and operating revenues	$ 264,156	$ 255,374	$ 233,280
Cost of sales and operating expenses	209,870	210,310	197,740
Gross margin	54,286	45,064	35,540
Expenses			
Marketing, general and administrative	31,533	31,977	28,689
Interest on long-term debt	630	948	1,397
Amortization	7,122	6,635	6,083
	39,285	39,560	36,169
Earnings (loss) before unusual items and income taxes	15,001	5,504	(629)
Gain on sale of listed securities	–	289	2,718
Earnings before income taxes	15,001	5,793	2,089
Income taxes (note 8)			
Current	6,126	2,620	2,784
Deferred	(503)	(381)	(1,475)
	5,623	2,239	1,309
Net earnings	9,378	3,554	780
Retained earnings, beginning of year	33,873	30,862	30,631
	43,251	34,416	31,411
Dividends paid	(681)	(543)	(549)
Retained earnings, end of year	$ 42,570	$ 33,873	$ 30,862

Per share information: (note 1)

CONSOLIDATED STATEMENT OF CHANGES IN CASH POSITION

YEAR ENDED JUNE 30 (THOUSANDS OF DOLLARS)	1999	1998	1997
Cash provided by (used for)			
Operations			
Net earnings	$ 9,378	$ 3,554	$ 780
Add (deduct) items not involving operating cash:			
Amortization	7,122	6,635	6,083
Deferred income taxes	(503)	(191)	116
Gain on sale of listed securities	–	(289)	(2,718)
Cash provided by operations	15,997	9,709	4,261
Changes in non-cash working capital	4,670	2,052	(2,135)
Cash provided by operating activities	20,667	11,761	2,126
Financing			
Proceeds of share issue	23	92	–
Repurchase of shares	(104)	(30)	(811)
Reduction of term debt (note 6)	–	(246)	(400)
Proceeds from long-term debt	1,071	666	15,566
Long-term debt payments	(7,032)	(8,866)	(15,572)
Dividend payment	(681)	(543)	(549)
Cash (used for) financing activities	(6,723)	(8,927)	(1,766)
Investments			
Reduction in goodwill (note 4)	–	246	400
Proceeds on sale of goodwill	84	475	–
Purchase of goodwill	(882)	(233)	(1,981)
Site restoration accrual	(216)	216	59
Purchase of fixed assets	(11,898)	(8,085)	(12,693)
Proceeds on sale of fixed assets	2,128	5,825	828
Investment in other assets	(286)	51	(552)
Proceeds on sale of listed securities	–	1,385	11,634
Flow through of income tax recovery on sale of listed securities	–	(189)	(1,592)
Cash (used for) investment activities	(11,070)	(309)	(3,897)
Increase (decrease) during the year	2,874	2,525	(3,537)
Cash (deficit), beginning of year	(4,049)	(6,574)	(3,037)
Cash (deficit), end of year	$ (1,175)	$ (4,049)	$ (6,574)

June 30, 1999
(DOLLAR AMOUNTS PRESENTED IN TABLES ARE IN THOUSANDS, EXCEPT PER SHARE INFORMATION)

Significant Accounting Policies

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of all wholly owned subsidiaries. All significant inter-company accounts and transactions are eliminated. The excess of the consideration paid for the shares of subsidiaries over the underlying net book values at the dates of acquisition is attributed to the related assets acquired and is amortized over the life of these assets.

MEASUREMENT UNCERTAINTY

The preparation of the financial statements necessarily involves the use of estimates and approximations. Should the underlying assumptions change, the actual amounts could differ from those estimated.

INVENTORIES

The Company values its inventories at the lower of cost and market value. The Company uses the last-in, first-out (LIFO) method of determining the cost of product inventory.

AMORTIZATION

Amortization is provided for on a straight line basis over the estimated useful lives of assets at the following annual rates:

Land improvements	4%
Buildings	5%
Refining equipment	5%
Equipment	10%
Automotive equipment	15%
Goodwill	10%

INVESTMENTS

Parkland's investments in companies in which it does not have significant influence are accounted for under the cost method.

INCOME TAXES

The Company follows the deferral method of tax allocation accounting, under which the income tax provision is based on the income reported in the accounts. Under this method, the Company makes full provision for income taxes deferred principally as a result of claiming capital cost allowance in excess of amortization provided in the accounts.

LONG-TERM DEBT

Capital lease obligations which relate to transactions which are similar in nature to a purchase are capitalized and included in long-term debt.

SITE RESTORATION

Site restoration costs are based on engineering estimates taking into account alternative procedures consistent with legal requirements, industry practices and available technology.

Estimated site restoration costs of acquired sites are recorded at date of acquisition and actual costs are charged to the accumulated provision as incurred. Site restoration costs of existing sites are charged to operations in the year incurred.

DEFERRED FINANCE CHARGES

Deferred finance charges are amortized on a straight line basis over ten years and recorded at cost less accumulated amortization.

EARNINGS PER SHARE

Basic earnings per share is calculated on the weighted average number of common shares outstanding for the year which amount to 5,449,690 (1998 – 5,439,635; 1997 – 5,473,725).

Fully diluted earnings per share reflect the dilutive effect had the exercise of employee stock options occurred at the later of the beginning of the year or the date the options were granted.

SEGMENTED INFORMATION

The Company operations are predominantly in the petroleum refining and marketing industry. The Company derives its revenues from marketing its products in western Canada.

1. Earnings Analysis and Earnings Per Share

1999	Operations	Unusual Items	Total Operations
Earnings before tax	$ 15,001	$ –	$ 15,001
Income taxes (recovery)			
Current	6,126	–	6,126
Deferred	(503)	–	(503)
Total income taxes	5,623	–	5,623
Net earnings	$ 9,378	$ –	$ 9,378
Earnings per share			
– basic	1.72	–	1.72
– fully diluted	1.62	–	1.62

1998	Operations	Unusual Items	Total Operations
Earnings before tax	$ 5,504	$ 289	$ 5,793
Income taxes (recovery)			
Current	2,297	323	2,620
Deferred	(192)	(189)	(381)
Total income taxes	2,105	134	2,239
Net earnings	$ 3,399	$ 155	$ 3,554
Earnings per share			
– basic	0.62	0.03	0.65
– fully diluted	0.61	0.03	0.64

1997	Operations	Unusual Items	Total Operations
Earnings (loss) before tax	$ (629)	$ 2,718	$ 2,089
Income taxes (recovery)			
Current	(262)	3,046	2,784
Deferred	116	(1,591)	(1,475)
Total income taxes	(146)	1,455	1,309
Net earnings (loss)	$ (483)	$ 1,263	$ 780
Earnings (loss) per share			
– basic	(0.09)	0.23	0.14
– fully diluted	*	0.22	*

* Anti-dilutive

2. Investment in Listed Securities

	1999	1998
Crestar Energy Inc.	$ 6,765	$ 6,765
Other	–	58
	$ 6,765	$ 6,823

3. Fixed Assets

			1999	1998
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	$ 12,047	$ –	$ 12,047	$ 11,024
Land improvements	3,373	1,326	2,047	1,882
Buildings	13,614	6,013	7,601	7,212
Refining equipment	47,812	22,264	25,548	26,089
Equipment	36,477	17,162	19,315	17,086
	$ 113,323	$ 46,765	$ 66,558	$ 63,293

4. Goodwill

Goodwill purchased pursuant to an agreement dated April 30, 1996 is calculated by reference to the quantity of fuel sold to specific marketing outlets for the period May 1, 1996 to April 30, 2000. The agreement provides for a minimum amount of $760,000 and no upper limit. Goodwill originally estimated at $1,900,000 was revised to $1,500,000 in 1997 and to $1,254,000 in 1998 to reflect the actual experience to date and anticipated market activity at the outlets to the end of the term. The corresponding long-term obligation was reduced accordingly. Effective November 30, 1998, the vendor agreed to settle the outstanding obligation for $84,759 less than the estimated face value (see note 6). The offsetting amount has been reflected in the books as disposition of goodwill.

Under an agreement dated April 7, 1997 the Company acquired various fuel marketing assets and operations. A portion of the consideration, not to exceed $5,500,000, is contingent on the average level of gross margins exceeding a defined amount in specific market territories for the five years ending April 7, 2002. A number of the acquired outlets were sold January 30, 1998. Part of the consideration was the sale of $475,000 of goodwill plus an amount not to exceed $2,540,000, contingent upon gross margins exceeding a defined level in specific market territories for the five years ending January 31, 2003.

5. Bank Indebtedness

Bank indebtedness is due on demand and bears interest at the bank's prime rate plus 1/8 of 1% per annum. The indebtedness is secured by a general security agreement, accounts receivable, inventories, and demand debentures creating a first or second fixed charge over specific fixed assets and a floating charge upon all other assets.

6. Long-term Debt

		1999		1998
Bank loans secured by an assignment of accounts receivable, inventories and demand debentures creating a first or second fixed charge over specific fixed assets and a floating charge upon all other assets. The loans are repayable in monthly installments of $201,000 plus interest at prime plus 0.25%. Non-permanent repayment of the loans may be accelerated by the Company, resulting in temporary reduction of the monthly installments.	$	–	$	5,000
Mortgages payable in monthly installments totalling $65,485 including interest. Interest rates vary from 6.0% to 8.5% and prime plus 0.8% per annum. The mortgages are secured by real properties with a net book value of $4,656,000 and mature at various dates ending April 27, 2009.		3,133		3,795
Conditional sales contracts and equipment loans payable in monthly installments totalling $52,566 including interest varying from 6.75% to 11.16% per annum. The contracts are secured by automotive and computer equipment with a net book value of $1,793,394 and mature at various dates ending June 1, 2003.		1,717		1,297
Agreement for sale relating to the purchase of goodwill repayable in monthly installments calculated by reference to the quantity of fuel sold to specific service stations during the period May 1, 1996 to April 30, 2000 (see note 4).		–		478
Unsecured notes repayable in monthly installments totalling $27,284. The notes are discounted at 6% per annum.		994		1,234
		5,844		11,804
Less current portion		1,068		1,351
	$	4,776	$	10,453

Estimated principal repayments for the next five years are:

2000	$ 1,068
2001	1,044
2002	962
2003	483
2004	479

For 1997, 1998 and 1999, the Company did not incur net interest expense on working capital borrowings, as average monthly cash balances exceeded average borrowings.

The Company has outstanding letters of credit totalling $8,165,000 (1998 – $5,424,300) which mature at various dates between August 1, 1999 and June 30, 2000.

7. Capital Stock

AUTHORIZED

Unlimited number of common shares without nominal or par value. Unlimited number of preferred, non-convertible, non-voting shares without nominal or par value. The designation, rights restrictions, conditions and limitations to be determined by the Directors of the Corporation.

ISSUED – COMMON SHARES

	1999 Shares	1999 Amount	1998 Shares	1998 Amount
Balance, beginning of year	5,448,088	$ 17,017	5,436,288	$ 16,955
Repurchased pursuant to Normal Course Issuer Bid	(10,500)	(104)	(4,200)	(30)
Issued pursuant to exercise of employee stock options	4,000	23	16,000	92
Balance, end of year	5,441,588	$ 16,936	5,448,088	$ 17,017

As of June 30, 1999, 515,000 common shares of the Company were reserved for issue on exercise of employee stock options at prices of $5.75 to $9.00 for terms of seven years ending between May 4, 2000 and December 8, 2005.

8. Income Taxes

Income tax expense varies from the amounts that would be computed by applying the Canadian Federal and Provincial income tax rates to earnings before provision for income taxes as shown in the following table:

	1999 Amount of	1999 %	1998 Amount of	1998 %	1997 Amount of	1997 %
Provision for income taxes at statutory rates	$ 6,693	44.62	$ 2,585	44.62	$ 932	44.62
Add (deduct) the tax effect of:						
Processing rate adjustment	(1,241)	(8.28)	(446)	(7.70)	44	2.12
Large Corporation Tax/ Capital Taxes	18	0.12	43	0.75	80	3.81
Recovery of deferred taxes at average accumulated rate	(4)	(0.03)	126	2.17	209	10.03
Non-taxable portion of gain on sale of listed securities, goodwill and fixed assets	—	—	(215)	(3.72)	(58)	(2.81)
Non-allowable amortization	112	0.75	148	2.55	91	4.36
Non-deductible expenses	48	0.32	1	0.03	13	0.63
Other	(3)	(0.02)	(3)	(0.05)	(2)	(0.12)
	$ 5,623	37.48	$ 2,239	38.65	$ 1,309	62.64

9. Operating Leases

The Company is committed to total minimum rentals in the amount of $4,939,867 under operating leases for land and buildings and equipment. Minimum lease payments for each of the five succeeding years are as follows:

2000	$ 1,600
2001	1,153
2002	814
2003	533
2004	276

10. Payments to Governments

	1999	1998	1997
Provincial fuel taxes	$ 64,386	$ 59,421	$ 53,152
Federal excise tax	60,746	55,811	49,983
Income tax, Large Corporation Tax, Capital Tax	6,145	2,622	2,784
Property and other taxes	841	902	888
Payroll tax	397	384	349
Goods and Services tax, net of Goods and Services tax on purchases	10,302	9,450	8,185
	$ 142,817	$ 128,590	$ 115,341

11. Financial Instruments

The fair value of accounts receivable, bank indebtedness, accounts payable and income taxes payable are equal to their carrying values due to their short-term maturities. The fair value of long-term bank loans equal their carrying values as their interest rates fluctuate with the prime lending rate. The Company may elect to utilize interest rate swaps and make non-permanent repayment of the loans. The carrying values and fair values of investments in listed securities, conditional sales contracts, mortgages payable, agreements for sale and unsecured notes payable are as follows:

	1999		1998	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Investment in listed securities	$ 6,765	$ 6,153	$ 6,823	$ 6,659
Mortgages payable	3,133	3,182	3,795	3,880
Conditional sales contracts	1,717	1,725	1,297	1,286
Notes payable	994	980	1,234	1,208
Agreement for sale	–	–	478	446

Fair value of listed securities are based upon quoted market prices as at June 30. Management believes Crestar Energy Inc. has sufficient resources to withstand the volatility of world oil prices which are a primary determinant in the fair value of its securities and the cyclical nature of world oil prices will ultimately result in the restoration of fair value of the securities and in Parkland having the opportunity to realize their carrying value. Subsequent to the year end, the fair value of Crestar Energy Inc. increased and exceeded carrying value. Fair values of long-term debt are estimated using discounted cash flow analysis based upon incremental borrowing rates for similar borrowing arrangements.

The Company does not have a significant exposure to any individual customer. The Company reviews a new customer's credit history before extending credit and conducts regular reviews of its existing customers' credit performance.

12. Tentative Refinery Disposition

On December 16, 1998 the Company received and accepted an offer to purchase its refinery from the Blood Tribe/Kainaiwa Specific Claim Trust No. 1 of Standoff, Alberta. The offer is subject to a number of conditions, the satisfaction of which cannot reasonably be determined. Under the terms of the offer, approval of the creation of a Reserve must be granted by the Federal Department of Indian & Northern Affairs. Should the conditions be satisfied, the Company would receive proceeds of $50,000,000 for its refinery, tank farm and related process equipment and support systems. The gain on sale would be approximately $14,904,111 subject to capital additions, disposals and amortization occurring in the intervening period. The Company would manage the operations of the refinery under a management agreement with the Blood Tribe/Kainaiwa Specific Claim Trust No. 1 and would market all product produced by the refinery.

13. Uncertainty Due to the Year 2000 Issue

The Year 2000 issue arises because many computerized systems use two digits rather than four to identify a year. Date-sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information using year 2000 dates is processed. In addition, similar problems may arise in some systems which use certain dates in 1999 to represent something other than a date. The effects of the year 2000 issue may be experienced before, on, or after January 1, 2000 and, if not addressed, the impact on operations and financial reporting may range from minor errors to significant systems failure which could affect a company's ability to conduct normal business operations. It is not possible to be certain that all aspects of the year 2000 issue affecting the Company, including those related to the efforts of the customers, suppliers or other third parties, will be fully resolved.

YEARS ENDED JUNE 30 ($ THOUSANDS, EXCEPT PER SHARE INFORMATION)	1999	1998	1997	1996
Net sales and operating revenues	$ 264,156	$ 255,374	$ 233,280	$ 188,036
Cost of operations	217,622	217,893	205,220	161,769
General and administrative expenses	31,533	31,977	28,689	23,104
Earnings (loss) before income taxes from continuing operations	15,001	5,504	(629)	3,163
Income taxes	5,623	2,239	1,309	3,182
Equity in earnings of investments	–	–	–	72
Unusual items and discontinued operations	–	289	2,718	4,009
Net earnings	9,378	3,554	780	4,062
Total assets	103,806	95,561	104,252	101,399
Working capital (deficit)	(5,740)	(4,228)	(8,986)	(5,377)
Long-term debt (less current portion)	4,776	10,453	14,555	17,168
Deferred income taxes	8,318	8,821	9,012	8,896
Shareholders' equity	59,506	50,890	47,817	48,397
Common shares outstanding used in per share calculations	5,449,690	5,439,635	5,473,725	5,530,420
Per Share Information				
Net sales and operating revenues	$ 48.47	$ 46.95	$ 42.62	$ 34.00
Earnings (loss) from operations and investments	1.72	0.62	(0.09)	0.30
Net earnings	1.72	0.65	0.14	0.73
Cash provided by operations and investments	2.94	1.78	0.78	0.89
Total assets	19.05	17.57	19.05	18.34
Shareholders' equity	10.92	9.36	8.74	8.75
Net capital expenditures	1.94	0.33	2.46	1.49
Statistical Analysis				
Return on shareholders' equity (before extraordinary and unusual items and discontinued operations)	17.0%	6.9%	(1.0%)	3.6%
Return on total investment (before extraordinary and unusual items and discontinued operations)	13.4%	5.3%	0.5%	3.5%
Price range of shares – calendar year				
High	$ 13.95	$ 8.40	$ 8.00	$ 8.20
Low	$ 8.25	$ 6.50	$ 6.25	$ 7.35

1995	1994	1993	1992	1991	1990
$ 153,270	$ 126,238	$ 117,668	$ 106,064	$ 132,470	$ 121,853
124,545	103,690	99,684	90,543	113,101	102,601
22,433	17,544	17,185	17,012	17,697	15,352
6,292	5,004	799	(1,491)	1,672	3,900
2,510	2,128	468	(558)	819	1,510
161	254	752	389	194	–
(274)	51	1,986	(339)	417	(2,630)
3,669	3,181	3,069	(883)	1,464	(231)
96,519	92,848	90,799	103,066	107,513	107,463
3,419	695	(2,052)	(7,329)	(4,628)	(2,351)
23,033	26,674	29,292	33,527	37,639	40,848
9,805	7,873	5,835	9,157	10,100	9,346
44,776	41,942	38,744	35,951	37,386	36,474
5,530,430	5,523,763	5,523,588	5,523,588	5,523,588	5,523,588
$ 27.71	$ 22.85	$ 21.30	$ 19.20	$ 23.98	$ 22.05
0.71	0.59	0.22	(0.10)	0.19	0.43
0.66	0.58	0.56	(0.16)	0.27	(0.04)
2.00	1.83	0.98	0.57	1.10	1.38
17.45	16.81	16.44	18.66	19.46	19.46
8.10	7.59	7.01	6.51	6.77	6.60
1.02	0.76	0.34	0.57	1.32	3.62
9.1%	8.0%	3.2%	(1.5%)	2.8%	6.5%
6.8%	6.1%	4.6%	2.0%	5.4%	6.8%
$ 8.25	$ 9.38	$ 8.25	$ 6.50	$ 6.50	$ 8.63
$ 6.70	$ 7.13	$ 4.00	$ 4.80	$ 4.60	$ 6.00

Robert G. Brawn Chairman, Danoil Energy Ltd., Calgary, Alberta

Mr. Brawn has served on the Board of Directors since November 1996. He is a Member of the Compensation and Nominating & Corporate Governance Committees.

Thomas H. Chapman Counsel with Chapman Riebeek, Red Deer, Alberta

Mr. Chapman is the Secretary of the Corporation, and has served on the Board of Directors since January 1977. He is a Member of the Compensation and Nominating & Corporate Governance Committees.

Jack C. Donald President and Chief Executive Officer, Parkland Industries Ltd., Red Deer, Alberta

Mr. Donald is Chairman of the Board of Directors; he has served on the Board of Directors since January 1977. He is Chairman of the Nominating & Corporate Governance Committee, and is a Member of the Audit Committee.

Joan M. Donald Assistant Corporate Secretary, Parkland Industries Ltd., Red Deer, Alberta

Mrs. Donald has served on the Board of Directors since January 1977. She is a Member of the Nominating & Corporate Governance Committee.

Alain Ferland Corporate Director, Montreal, Quebec

Mr. Ferland was appointed to the Board of Directors in June 1999. He is a Member of the Nominating & Corporate Governance Committee.

Terry D. Lawrence President, Sheer Energy Inc., Calgary, Alberta

Mr. Lawrence is the Lead Director, and has served on the Board of Directors since July 1983. He is Chairman of the Compensation Committee, and is a Member of the Audit and Nominating & Corporate Governance Committees.

S. Donald Moore President and Manager, Phoenix Canada Oil Company Limited, Toronto, Ontario

Mr. Moore has served on the Board of Directors since April 1961. He is a Member of the Compensation and Nominating & Corporate Governance Committees.

James Pantelidis Chairman and Chief Executive Officer, Bata Limited, Toronto, Ontario

Mr. Pantelidis was appointed to the Board of Directors in September 1999. He is a Member of the Nominating & Corporate Governance Committee.

Alfio L. Truant President, Red Deer Bottling Co. Ltd., Red Deer, Alberta

Mr. Truant has served on the Board of Directors since February 1981. He is Chairman of the Audit Committee and a Member of the Compensation and Nominating & Corporate Governance Committees.

CORPORATE INFORMATION

HEAD OFFICE

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ANNUAL GENERAL MEETING

Wednesday, November 10, 1999
4:00 p.m. at the Black Knight Inn
2929 - 50th Avenue
Red Deer, Alberta

BANKERS

Canadian Imperial Bank of Commerce
10th Floor, Bankers Hall
855 – 2nd Street SW
Calgary, Alberta T2P 2P2

4902 – 50th Street
Red Deer, Alberta T4N 1X7

AUDITORS

Heywood Holmes & Partners
Chartered Accountants
500, 4911 – 51st Street
Red Deer, Alberta T4N 6V4

LEGAL COUNSEL

Chapman Riebeek
208, 4808 – 50th Street
Red Deer, Alberta T4N 1X5

STOCK EXCHANGE LISTING

Toronto Stock Exchange
The Alberta Stock Exchange
Trading symbol: PKI

REGISTRAR AND TRANSFER AGENT

Montreal Trust
151 Front Street
Toronto, Ontario M5J 2N1

530 – 8th Avenue SW
Calgary, Alberta T2P 3S8

DIRECTORS

Robert G. Brawn

Thomas H. Chapman

Jack C. Donald*

Joan M. Donald

Alain Ferland

Terry D. Lawrence*

S. Donald Moore

James Pantelidis

Alfio L. Truant*

* MEMBER OF THE AUDIT COMMITTEE

OFFICERS

Jack C. Donald
President and
Chief Executive Officer

Thomas H. Chapman
Corporate Secretary

Joan M. Donald
Assistant Corporate Secretary

John G. Schroeder
Vice President, Finance

Kelly G. Collier
Controller

S. Michael Meeres
Treasurer

WHOLLY-OWNED SUBSIDIARIES

Fas Gas Oil Ltd.
Retail Service Station Operations
D. Jim Jones, Vice President, Marketing

Race Trac Fuels Ltd.
Wholesale Gasoline and Diesel Fuel Marketing
Bradley Williams, General Manager

Payless Oil Company Ltd.
Wholesale Gasoline and Diesel Fuel Marketing
Bradley Williams, General Manager

Short Stop Food Stores Inc.
Convenience Stores
Tim Rhodes, General Manager

Parkland Refining Ltd.
Petroleum Refining
Robert Leflar, General Manager, Refining and Supply

Petrohaul Ltd.
Petroleum Transportation
Don Heisler, General Manager

Great Northern Oil Inc.
Gasoline and Diesel Fuel Marketing
D. Jim Jones, Vice President, Marketing

Fas Gas Realty Ltd.
Real Estate Holdings and Development
D. Jim Jones, Vice President, Marketing

Gasex Propane Plus
Retail Propane Sales
D. Jim Jones, Vice President, Marketing

Created by Result Communications Ltd.
Printed in Canada

creating value
for our shareholders
by meeting the needs
of our
customers

Parkland Industries Ltd.

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